

# Cigarette tax



*Did you know that . . .*

- *If you buy cigarettes in another state and bring them back to Washington, you may owe Washington taxes.*
- *Cigarettes purchased at military installations also carry some restrictions.*
- *If you possess untaxed cigarettes in Washington, you may be subject to penalties.*



*This publication provides general information about the cigarette tax. It does not cover every aspect of the tax. In addition, it does not change or overrule any administrative regulation or ruling issued by the Department of Revenue.*

## TAXES ON CIGARETTES

Washington imposes a cigarette tax on the sale, use, consumption, possession, or distribution of cigarettes. For a package of 20 cigarettes, the tax is \$2.025 and for a pack of 25, the tax is \$2.53125. An additional cigarette excise tax is collected by the United States government.

Cigarette wholesalers in Washington pay the tax by purchasing cigarette tax stamps and then affixing the stamps to cigarette packs.

Cigarettes possessed in Washington are subject to cigarette tax and either the sales or use tax:

- If you buy cigarettes from a Washington retailer, the cigarette tax is included in the purchase price and the sales tax is collected.
- If you buy cigarettes by mail order, from an out-of-state retailer, or from a tribal retailer who is not collecting tribally imposed taxes, Washington's cigarette and use taxes must be paid directly to the Department of Revenue on a Tax Declaration for Cigarettes form.

Use tax is due on items that are used in Washington, including cigarettes, that are purchased without paying sales tax. Use tax is calculated in the same manner as the sales tax. You are entitled to a credit for sales or use taxes paid to another state.

### UNTAXED CIGARETTE PURCHASES

If you purchase untaxed cigarettes, follow these steps:

- Report and pay any taxes due on the Tax Declaration for Cigarettes form (#82-2090), available at <http://dor.wa.gov> or by calling 1-800-647-7706.
- Keep a copy of the completed form and evidence of payment to support your legal possession of unstamped cigarettes.

### PENALTIES FOR POSSESSION OF UNTAXED CIGARETTES

Possession of fewer than 300 cartons of untaxed cigarettes, without proper notice, authorization, or documentation, is a misdemeanor. Possession of more than 300 cartons, without proper notice, authorization, or documentation, is a felony.

Any untaxed cigarettes found in your possession are considered contraband and, under state law, are subject to seizure and forfeiture. You will be required to pay any cigarette, sales or use taxes due, a 5% assessment penalty and a remedial penalty at the greater of \$250 or \$10 per pack.

## TRIBAL RESERVATIONS

Most tribes collect tribal cigarette and sales tax in place of the state taxes pursuant to tax agreements between the tribes and the state. Anyone of legal age may purchase and possess cigarettes from tribal retailers covered by one of these contracts.

Enrolled tribal members may purchase cigarettes within their tribe's jurisdiction without paying state taxes. Some Native American tribes receive an allocation of tax exempt cigarettes for this purpose. Tribal retailers are obligated to collect tax on sales to individuals who are not enrolled members of the tribe. If a state tax or a tribal tax (explained above) is not collected, non-tribal members who purchase cigarettes on reservations must pay state cigarette and use taxes on their purchase.

## MILITARY RESERVATIONS

If you are an active duty or retired military person, or a dependent, you are entitled to purchase cigarettes on military reservations for your own use without owing any state tax.

Military personnel are not allowed to purchase cigarettes to give or resell to others. The military may revoke your commissary and exchange privileges if you are caught doing so. Also, the person receiving the cigarettes will be subject to the taxes and penalties described above.

*Note:* Cigarette sales at retail outlets to military personnel are taxable.

## CIGARETTE STAMPS – PROOF OF TAX PAID

In Washington, all cigarettes, except those sold on military reservations, should have a cigarette stamp affixed to the bottom of each pack. Washington State distributes stamps with serial numbers and various colors. Cigarettes on which Washington state cigarette taxes have been paid will have pink and blue stamps on 20-packs, and blue, white and silver stamps on 25-packs. Tax-exempt cigarettes sold on Indian reservations to tribal members will have green and white stamps labeled "Washington Tax Exempt."

In addition, most tribes have signed contracts to sell cigarettes and are collecting tribal taxes in place of state taxes. All cigarettes sold by tribes under an agreement will have either a green compact stamp or their own tax stamp.

See pages four and five for samples of cigarette tax stamps.

## ENFORCEMENT

The Liquor Control Board (Board) enforces the cigarette tax for Washington State. The Board enforces retail and wholesale licensing, sales to minors, vending machine sales, sampling, and illegal cigarette sales and possession. For more information on cigarette enforcement activities, you can visit the Liquor Control Board's web site (<http://www.liq.wa.gov>).

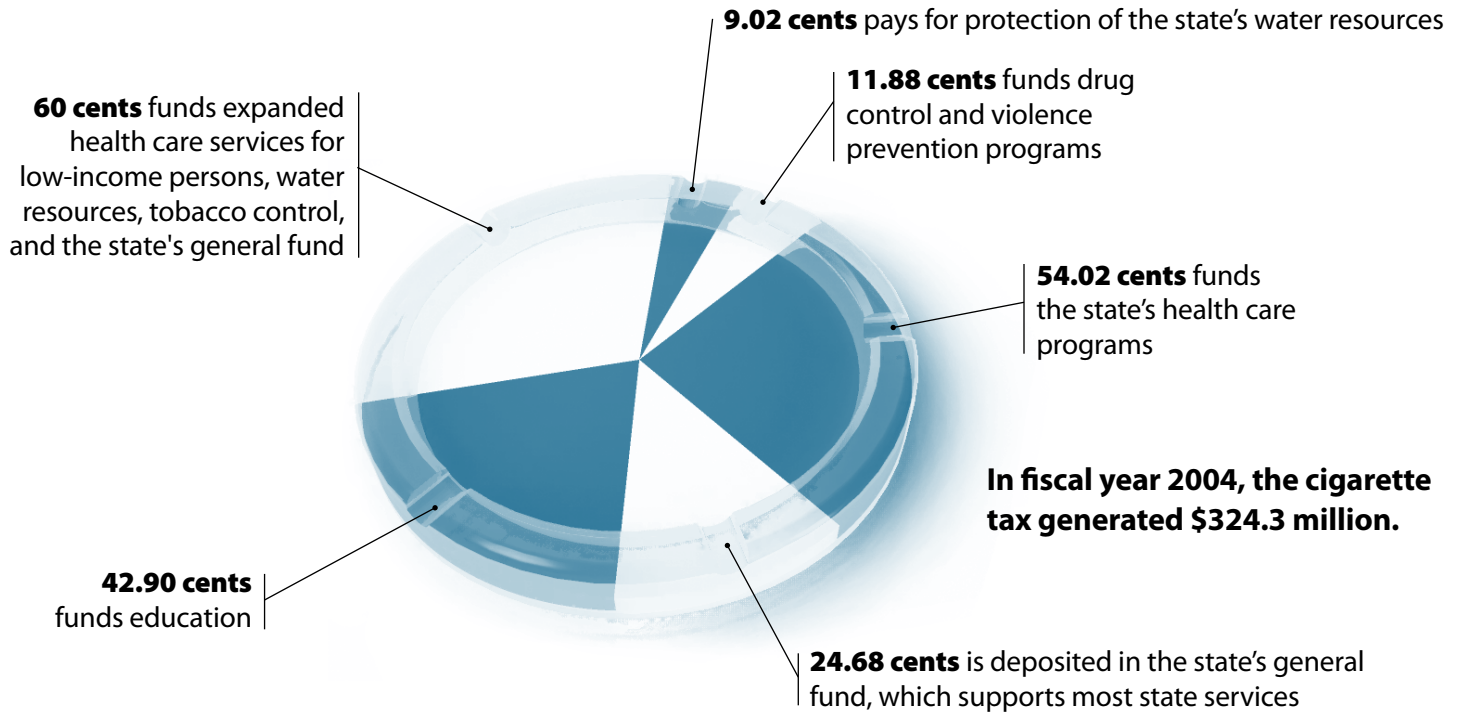
To file a complaint or a tip, contact the Liquor Control Board at 1-888-838-3956.

## Resources to help people quit smoking

- Washington State Department of Health Tobacco Quit Line  
website: <http://quitline.com>
- Washington Tobacco Quit Line Phone Numbers  
1-877-270-STOP (1-877-270-7867)
- Spanish Line: 1-877-2NO-FUME (1-877-266-3863)  
Hearing Impaired: 1-877-777-6534

## CIGARETTE TAX BREAKDOWN

Effective July 1, 2005, the breakdown for the \$2.025 tax per package of 20 cigarettes is as follows:



### LICENSING

Retail, wholesale, and vending machine cigarette licenses must be obtained through the Department of Licensing. They can be reached by calling (360) 664-1400 or visiting their web site at <http://www.dol.wa.gov>.

Annual license fees are:

Wholesaler . . . . .	\$650
Branch Wholesaler . . . . .	\$115
Retailer . . . . .	\$93
Vending Machine. . . . .	\$30

Wholesalers are required to post a \$5,000 Proper Performance Bond and to complete a personal/criminal history statement.

### PUBLICATION

- Special Notice dated May 24, 2005 - Cigarette and Tobacco Products Tax Changes

### FORMS

- Tax Declaration for Cigarettes (#82-2090)
- Requirements to Become a Washington Cigarette Wholesaler (#82-2099)

### LAWS AND RULES

- Chapter 82.24 Revised Code of Washington (RCW)
- Washington Administrative Code (WAC) 458-20-186 - Tax on cigarettes
- WAC 458-20-192 - Indians - Indian Country

The publication, forms, and rules and laws noted above are available at our web site, <http://dor.wa.gov>. You also can request copies by calling our Telephone Information Center at 1-800-647-7706.

### FOR MORE INFORMATION

If you have specific questions about the cigarette tax, please contact your local Department of Revenue office or the Telephone Information Center at 1-800-647-7706.

You may also write to:

Special Programs  
Washington State Department of Revenue  
Post Office Box 47477  
Olympia, Washington 98504-7477  
FAX (360) 586-2163

# Cigarette tax stamps used in Washington State

Washington State distributes these four stamps:

Regular stamps for  
packs containing  
20 cigarettes



Stamps for wide packs  
or hand stamping



Stamps for packs  
containing 25 cigarettes



Indian allocation tax  
exempt stamps for  
sale to enrolled tribal  
members only



*Actual sizes of stamps:*



**Compact stamps** are used by tribes that have signed a contract with the state to collect cigarette and sales taxes. Cigarettes with compact stamps can be purchased by anyone and are legal on and off the reservation.

*Actual size of stamp:*



These tribes use the generic compact stamp:

Lummi  
Jamestown S'Klallam  
Muckleshoot  
Nisqually  
Port Gamble S'Klallam  
Skokomish  
Suquamish

These compact tribes have designed their own stamps. Cigarettes bearing these stamps can be purchased by anyone and are legal on and off the reservation.

Chehalis



Swinomish



Tulalip



Upper Skagit



Yakama Nation



Puyallup



Squaxin Island sells cigarettes with two types of stamps:



*Actual sizes of stamps:*



The **Stillaguamish tax stamp** is not recognized by the state. There is no cigarette tax compact between the state of Washington and the Stillaguamish Tribe.

*Actual size of stamp:*

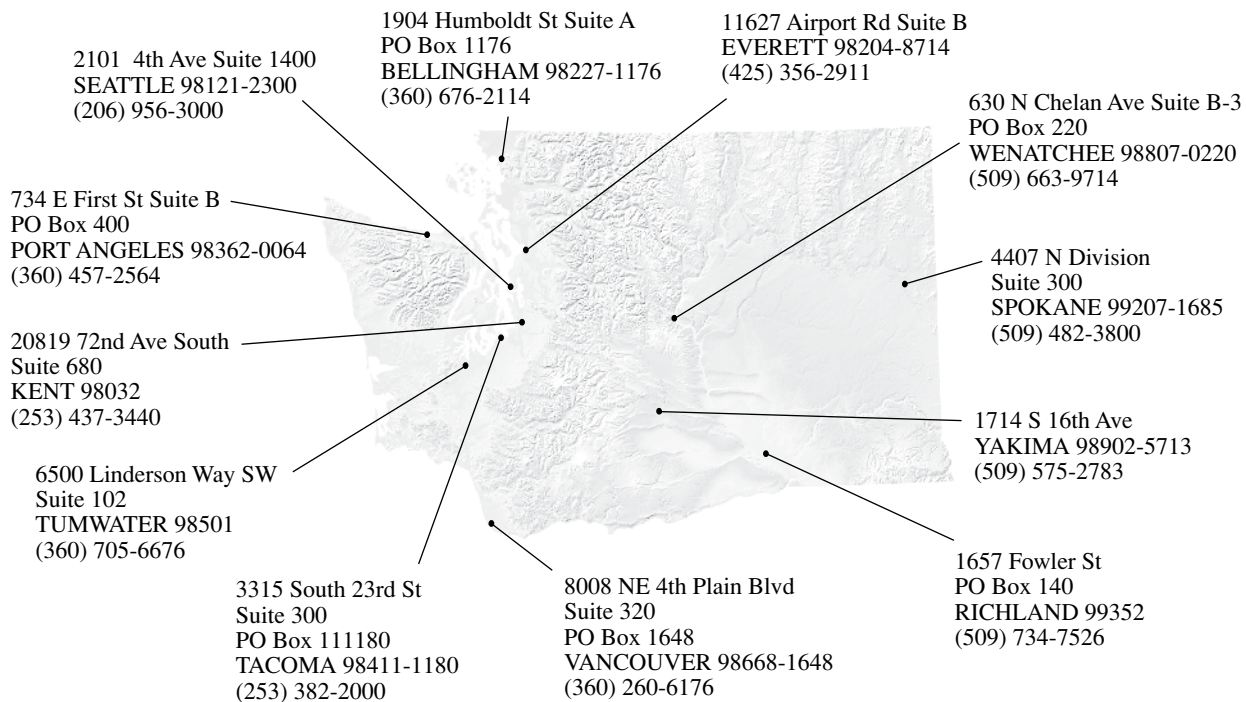




# Department of Revenue Taxpayer Assistance

**<http://dor.wa.gov>**

## Local Office Locations



## Telephone Information Center

**1-800-647-7706**

To inquire about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715.

Teletype (TTY) users please call 1-800-451-7985.



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